GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:25
ANSWERED ON:17.02.2006
INVESTMENT IN INFRASTRUCTURE
Sethi Shri Arjun Charan

Will the Minister of FINANCE be pleased to state:

:

(a) Whether Union Government has directed all the State and Union Territory Govenunent to take benefit of the various economic assistance schemes earmarked for the purpose and also to take steps to encourage investment for infrastructure in their respective States/Uts;

(b) If so, the details thereof, and

(c) The reaction of States/Union Territories thereon?

Answer

MINISTER OF STATE IK THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) Yes Sir,

(b) A scheme for setting up of a Special Purpose Vehicle-(SPV) for providing long term debt for Infrastructure projects has been notified and India Infrastructure Finance Company Ltd (IIFCL), a Non- Banking Finance Company, has been incorporated. Besides debt, the need for meeting the viability gap for infrastructure projects has been recognized for some time. A detailed scheme for Viability Gap Funding (VGF) has, accordingly, been formulated. , This scheme will focus on the core infrastructure sectors including highways, airports, ports, power, urban infrastructure, tourism projects. The above schemes were circulated to all the States and Union Territories seeking proposals.

(c) Chief Ministers of different States and Administrators of Union Territories have welcomed the above initiatives and assured co-operation for promoting infrastructure development and for utilization under the schemes proposed by the Union Government.